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Australian Government
Aged Care Financing Authority

2016-17 OPERATIONS REPORT OF THE AGED CARE FINANCING AUTHORITY

INTRODUCTION

This is the fifth annual operations report for the Aged Care Financing Authority (the Authority). This report covers the period 1 July 2016 to 30 June 2017.

The operations report has been prepared pursuant to the *Committee Principles 2014* issued under the *Aged Care Act 1997*. Section 10.7 of the *Committee Principles 2014* requires that:

1. The Aged Care Financing Authority must, as soon as practicable after the end of each financial year, prepare and give to the Minister a report on the operations of the Authority during that year.
2. As soon as practicable after giving the report to the Minister, the Aged Care Financing Authority must publish a copy of the report on the Authority's website.

ESTABLISHMENT OF THE AUTHORITY

Background

The Authority was established on 1 August 2012. Its role is to provide independent, transparent and evidence based advice to the Australian Government on the sustainability and viability of the aged care sector. During the reporting period Secretariat support was provided by the Funding Policy Branch of the Aged Care Policy and Regulation Division within the Department of Health.

Authority Membership

The members of the Authority during the reporting period were:

Ms Lynda O'Grady	Chairman
Mr Nicholas Mersiades	Deputy Chair
Mr Ian Yates	Member
Mr Gary Barnier	Member
Professor Graeme Samuel AC	Member
Mr John Pollaers	Member
Ms Julie Campbell-Bode (until 9 December 2016)	Member
Dr Mike Rungie (from 31 December 2016)	Member
Ms Susan Emerson (from 31 December 2016)	Member
Ms Louise Biti (from 31 December 2016)	Member

There were three non-voting Government representatives on the Authority during the reporting period.

Ms Margot McCarthy	Deputy Secretary of the Ageing and Aged Care Group Department of Health
Ms Kim Cull	Aged Care Pricing Commissioner
Mr Robert MonteFiore-Gardner (until December 2016) Ms Lee Steele (from February 2017 until 29 June 2017)	Department of the Treasury Department of the Treasury

Authority Operations

The Authority met eight times during the reporting period:

- 29 July 2016;
- 7 September 2016;
- 27 October 2016;
- 8 December 2016;
- 16 February 2017;
- 30 March 2017;
- 11 May 2017; and
- 29 June 2017.

The *Committee Principles 2014* and Operating Framework outline the Authority's responsibilities in performing its functions. This includes the Authority's ability to request research when formulating advice to the Minister, and the requirement that the Authority's research and advice is published.

Key activities during the 2016-17

Task	Progress/Key Dates
The Authority's 2016 annual report on the funding and financing of the aged care sector	On 29 July 2016 the Authority delivered the report to Government
Report on access to care for supported residents	On 11 January 2017, the Authority delivered the report to Government
Report of the Bond Guarantee Scheme and potential alternative arrangements	On 1 May 2017 the Authority delivered the report to Government
Report to inform the 2016-17 review of amendments to the Aged Care Act 1997	On 11 May 2017 the Authority delivered the report to Government
Report of the Base Interest Rate Project	On 30 June 2017 the Authority delivered the report to Government

Communication and Engagement with the Aged Care Sector

During the reporting period, the Authority held meetings and forums with representatives from the investment and financing sectors, providers, consumers and peak bodies. These wide spread consultations are critical to the Authority's understanding of the key issues, developments and challenges facing the industry, particularly the impact of the 1 July 2014 reforms on all stakeholders. The Authority will continue with its engagement program over the next 12 months, with a particular focus on the understanding and analysis of the aged care sector to ensure its long-term sustainability and viability.

In September 2016, the Authority held Roundtables in Sydney and Melbourne with members of the investment and financing community. These Roundtables allowed the Authority to share the findings of its fourth annual report and hear stakeholder views on key issues facing the sector, including longer term challenges facing the sector. Over 80 representatives from various organisations participated in the Roundtables.

Other Stakeholders

The Authority presented at various forums during 2016-17. Stakeholder engagement continues to be a vital activity to inform the Authority's ongoing key activities and subsequent advice to Government. Forums attended during 2016-17 include:

- The Aged and Community Services Queensland Finance Forum
- The Aged Care Hub
- The Australian Association of Gerontology 49th Conference
- The Independent Agencies for Older Australians
- The Aged and Community Services Melbourne Finance Symposium
- The Aged Care Guild
- Future of Aged Care Luncheon
- The Leading Age Services Australia Leaders Forum
- The Aged and Community Services Sydney Finance Forum

Contractors and Consultants

The following firms were engaged to provide services for the Authority.

Contractor	Description
Forms Administration Pty Ltd	Consultancy services on the home care survey for ACFA's report to inform the 2016-17 review of amendments to the Aged Care Act 1997
Bytes' n Colours	Printing of the Authority's 2016 Report on the Funding and Financing of the Aged Care Sector
PricewaterhouseCoopers	Consultancy services to provide financial and actuarial advice for the report of the Bond Guarantee Scheme.

ACFA Work Plan

Project	Key date
2018 Annual Report on the funding and financing of the aged care sector	30 June 2018
Report on respite for aged care recipients	31 July 2018
Report on understanding how consumers plan and finance aged care	31 August 2018